

# SUN ART

## *Retail Group Limited*

Stock code: 6808

**Financial Results Announcement  
For the six months ended 30 September 2022**

让生活更精彩大润发

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**Speakers**



**Operating Environment**



**Expansion Status**



**Financial Highlights**



**Strategy Progress**



**Q&A**



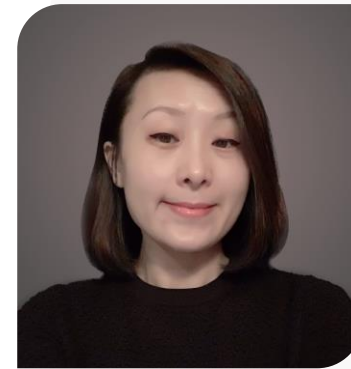
**Kevin Lin**

Chief Executive Officer  
and  
Executive Director



**Desory Wan**

Chief Financial Officer



**Xiaobei Gu**

Head of  
Investor Relations





# OPERATING ENVIRONMENT

爱生活 逛大润发

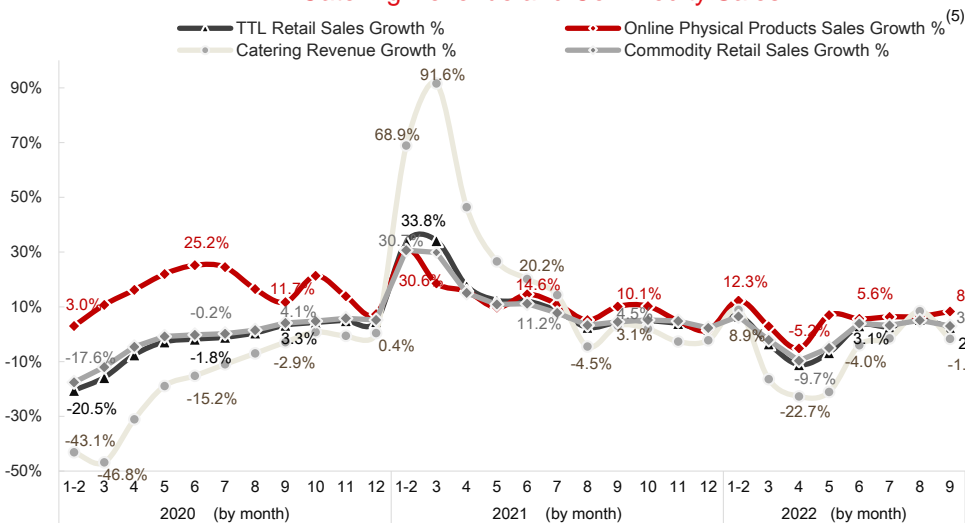


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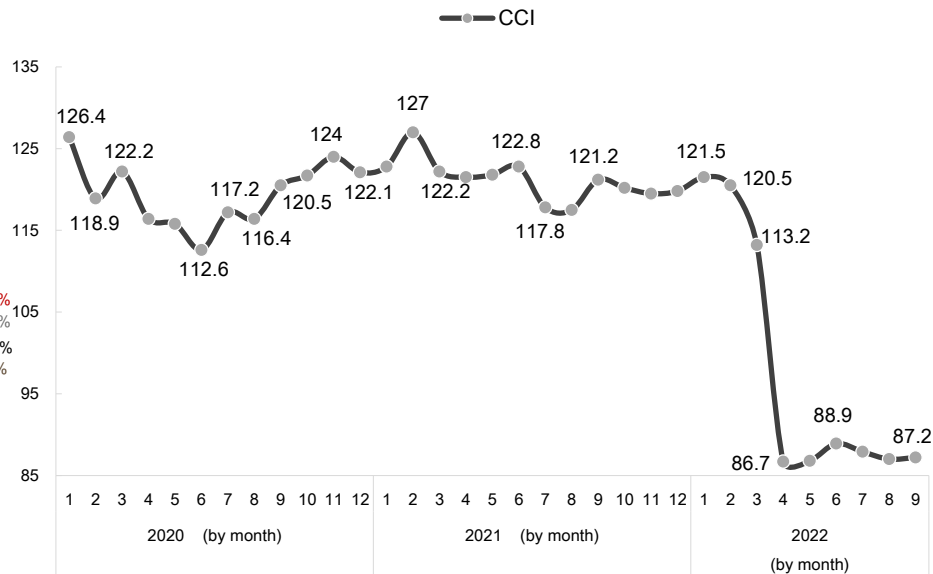
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爱生活 逛大润发

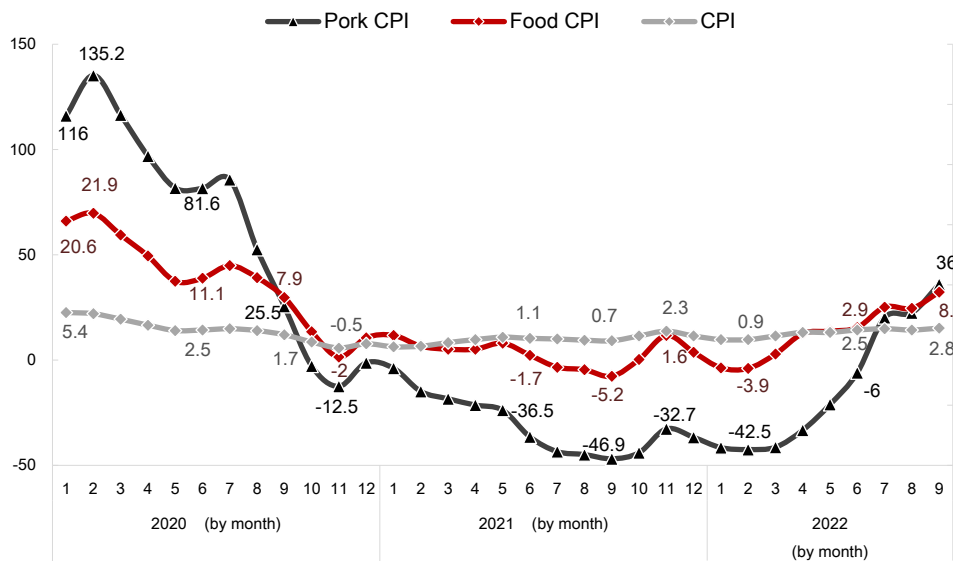
(1) Growth of Total Retail Sales of Consumer Goods, Online Physical Products, Catering Revenue and Commodity Sales



(2) Consumer Confidence Index (CCI)



(3) Growth Rate of Consumer Price Index (CPI)



(4) Sales Growth Rate of China Top 100 Key Retailers



Source: (1), (2), (3) from National Bureau of Statistics of China. (4), (5) from the China National Commercial Information Center (CNCIC).



EXPANSION  
STATUS

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As of 30 September 2022



Region	No. of stores (as of 30 September 2022)				GFA (sqm) (as of 30 September 2022)			
	Hyper-market	Super-store	Mini Store	Total	Hypermarket	Superstore	Mini Store	Total
Eastern China	185	5	71	261	5,442,613	48,082	14,605	5,505,300
Northern China	51	2	0	53	1,327,103	16,261	0	1,343,364
N-Eastern China	54	2	0	56	1,724,824	15,800	0	1,740,624
Southern China	98	0	0	98	2,417,944	0	0	2,417,944
Central China	75	1	28	104	1,940,391	6,425	6,651	1,953,467
Western China	25	0	0	25	668,610	0	0	668,610
<b>Total</b>	<b>488</b>	<b>10</b>	<b>99</b>	<b>597</b>	<b>13,521,485</b>	<b>86,568</b>	<b>21,256</b>	<b>13,629,309</b>

New opening of **1** hypermarkets

Secured **20** hypermarket sites

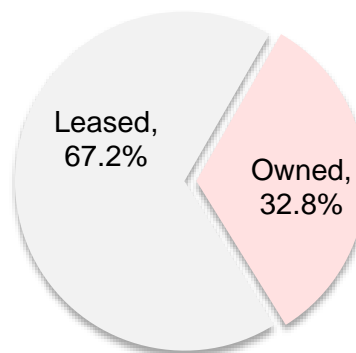
New opening of **2** superstores

Secured **24** superstore sites

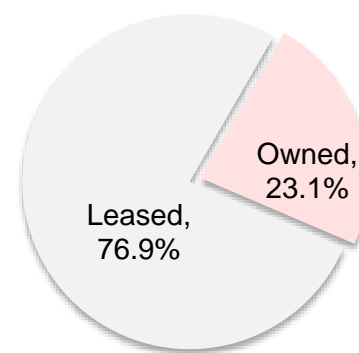
New opening of **14** mini stores

Covering **239** cities

GFA breakdown



Store no. breakdown



Note: During the reporting period, one superstore was converted into hypermarket, which was not included in the new opening of hypermarkets.

Note: GFA breakdown and store number breakdown only include hypermarkets and superstores.

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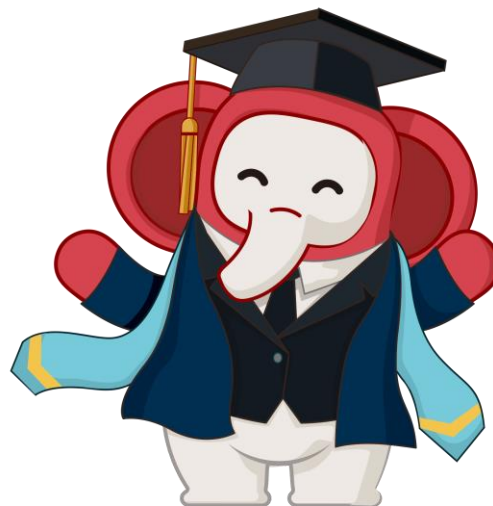


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爱生活 逛大润发



## FINANCIAL HIGHLIGHTS



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**For the six months ended 30 September**

<b>RMB in million</b>	<b>2022</b>	<b>2021</b>	<b>Change</b>
Revenue <sup>(1)</sup>	40,611	41,534	-2.2%
Gross Profit	10,112	10,933	-7.5%
Gross Profit Margin	24.9%	26.3%	- 1.4ppt
EBIT	500	560	-10.7%
EBIT Margin	1.2%	1.3%	-0.1ppt
Profit for the period	-87	112	-177.7%
Net Profit Margin	-0.2%	0.3%	-0.5ppt
<i>Profit attributable to equity shareholders</i>	<i>-69</i>	<i>117</i>	<i>-159.0%</i>
Earnings per share - Basic and diluted (RMB) <sup>(2)</sup>	-0.01	0.01	

Note: The Group has initially applied HKFRS 16 at 1 January 2019.

(1) In our electronic appliance department, the business model was changed from self-operation to consignment from August 2018. Since then, only consignment fees received have been recognized in revenue instead of gross sales.

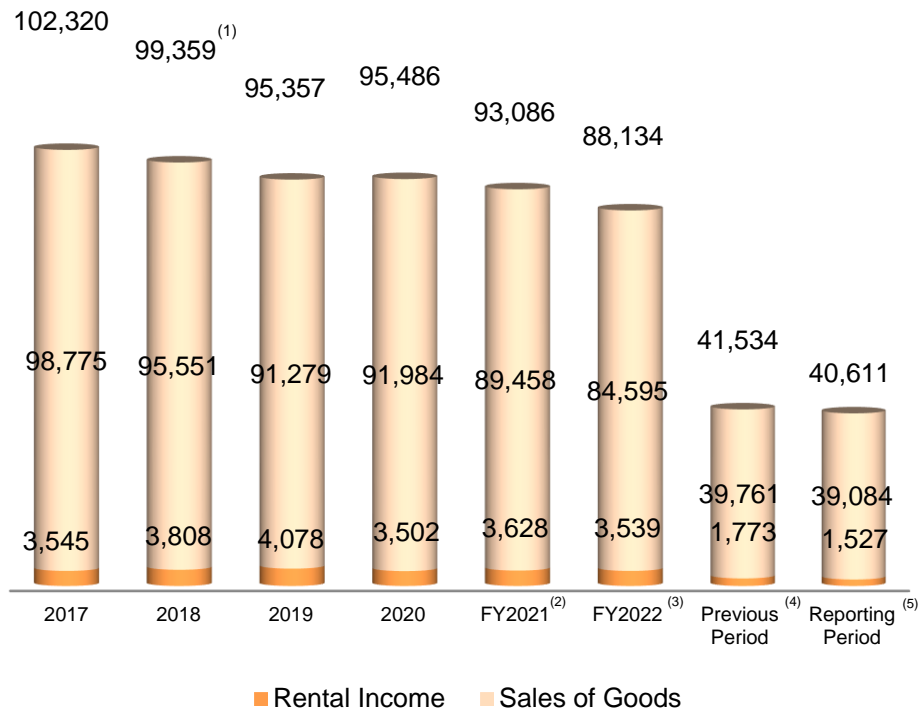
(2) The calculation of basic and diluted EPS is based on the weighted average number of 9,539,704,700 ordinary shares in issue during the period.

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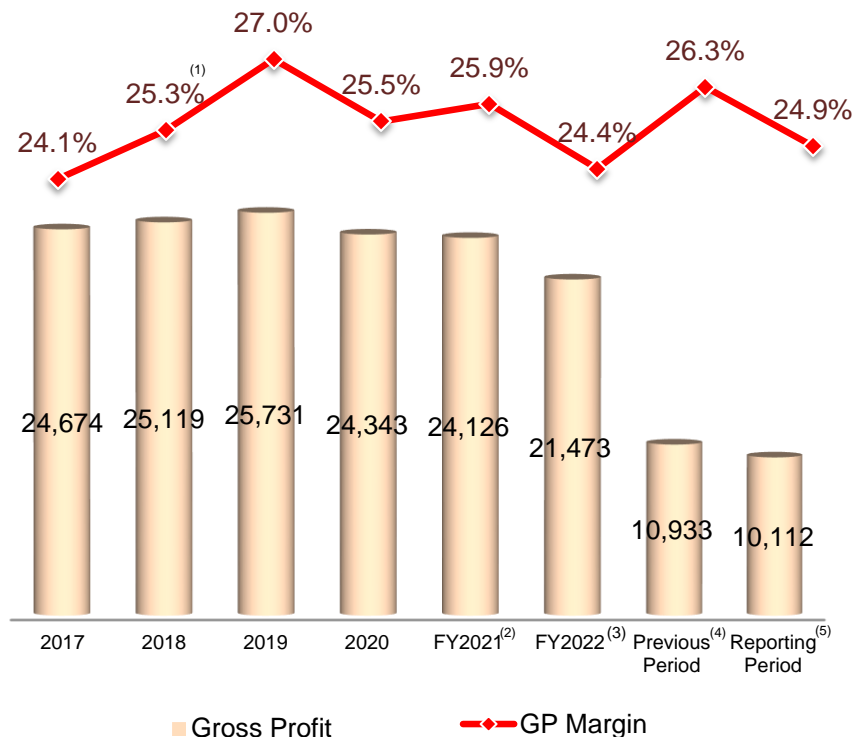
## Revenue

RMB (million)



## Gross Profit and Margin

RMB (million)



Note:

(1) In our electronic appliance department, the business model was changed from self-operation to consignment from August 2018. Since then, only consignment fees received have been recognized in revenue instead of gross sales.

(2)、(3) The Group changed the financial year end date from December 31 to March 31 in 2020. Therefore, FY2021 and FY2022 show the major indicators of the financial results for the twelve months ended March 31, 2021 (unaudited) and March 31, 2022 respectively.

(4) Previous period: the six months ended 30 September 2021, hereinafter the same.

(5) Reporting Period: the six months ended 30 September 2022, hereinafter the same.

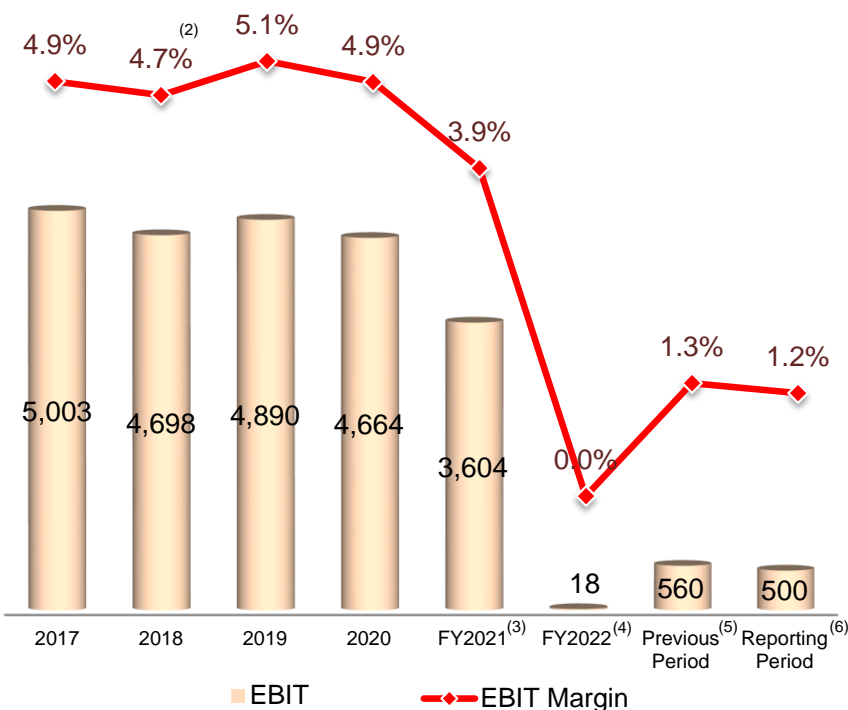
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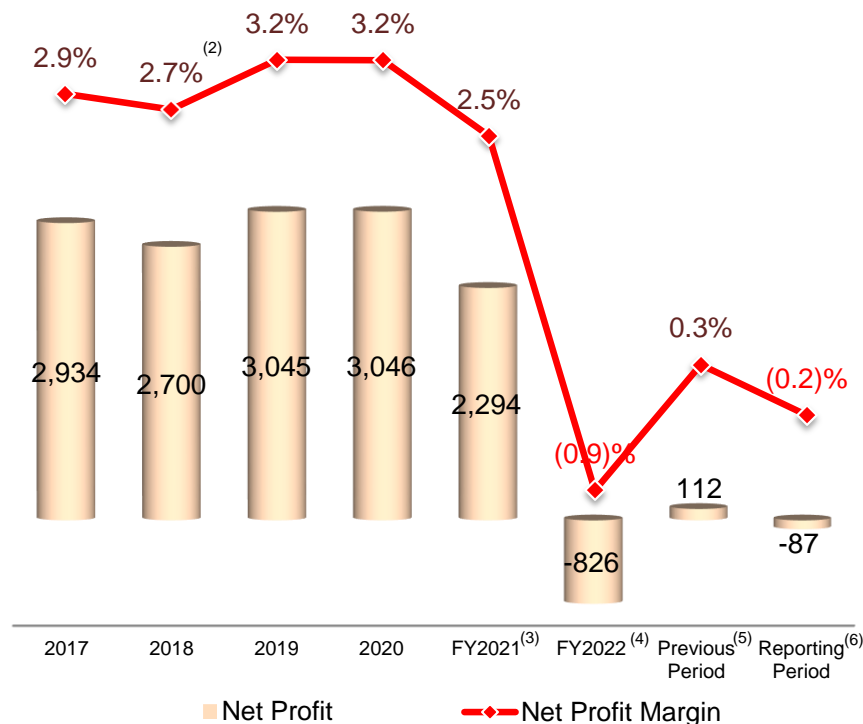
## Operating Profit

RMB (million)



## Net Profit<sup>(1)</sup> and Margin

RMB (million)



Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the full retrospective approach. Under this approach, figures in the 4 years earlier than 2019 (i.e. since 2015) are restated retrospectively.

(1) Showing profit for the period, i.e. including the non-controlling interests.

(2) In our electronic appliance department, the business model was changed from self-operation to consignment from August 2018. Since then, only consignment fees received have been recognized in revenue instead of gross sales.

(3)、(4) The Group changed the financial year end date from December 31 to March 31 in 2020. Therefore, FY2021 and FY2022 show the major indicators of financial results for the twelve months ended March 31, 2021 (unaudited) and March 31, 2022 respectively.

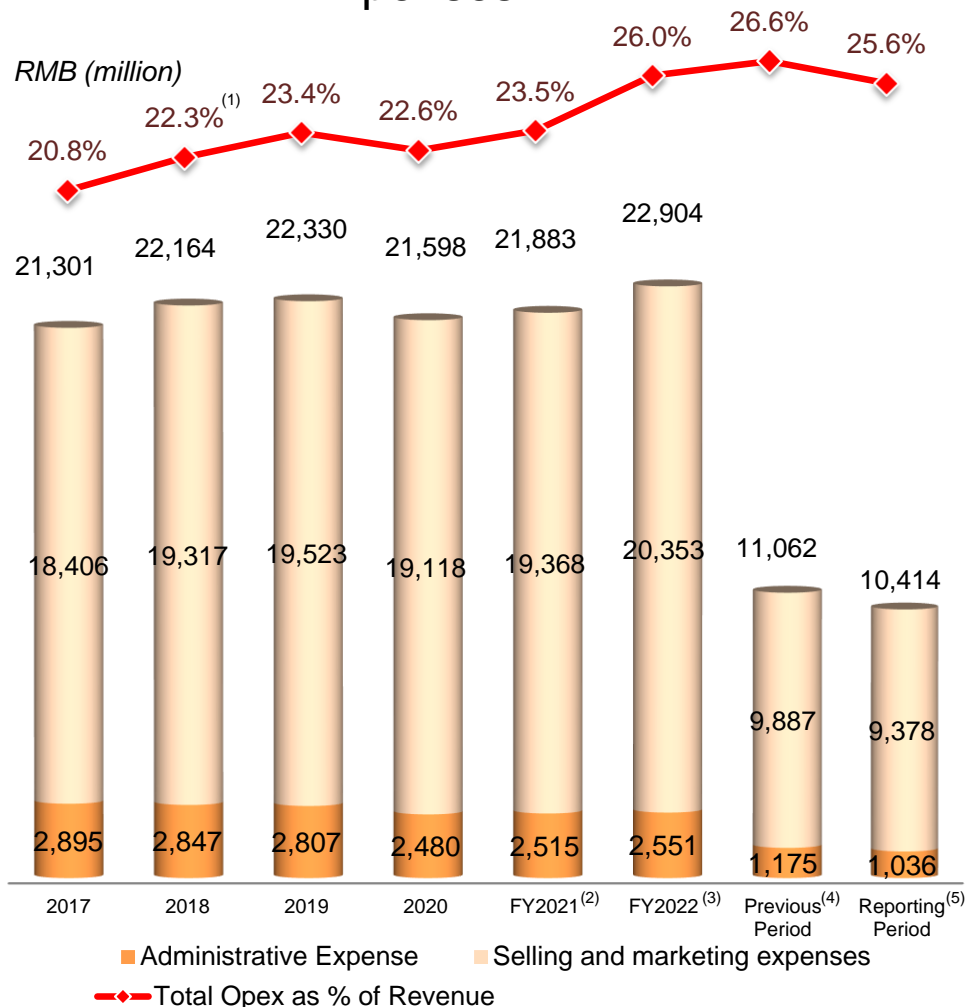
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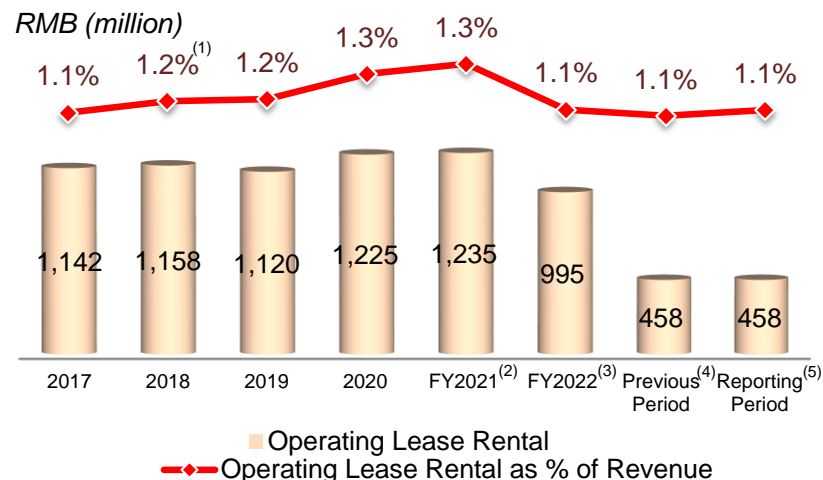
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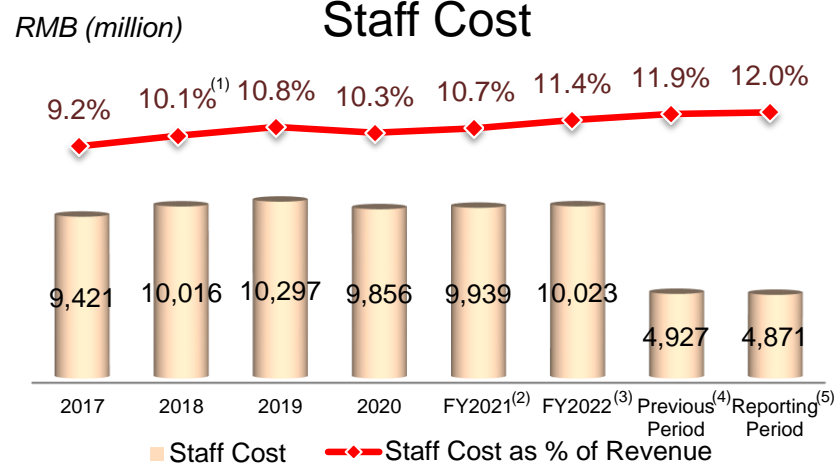
## Expenses



## Operating Lease Charges



## Staff Cost



Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the full retrospective approach. Under this approach, figures in the 4 years earlier than 2019 (i.e. since 2015) are restated retrospectively.

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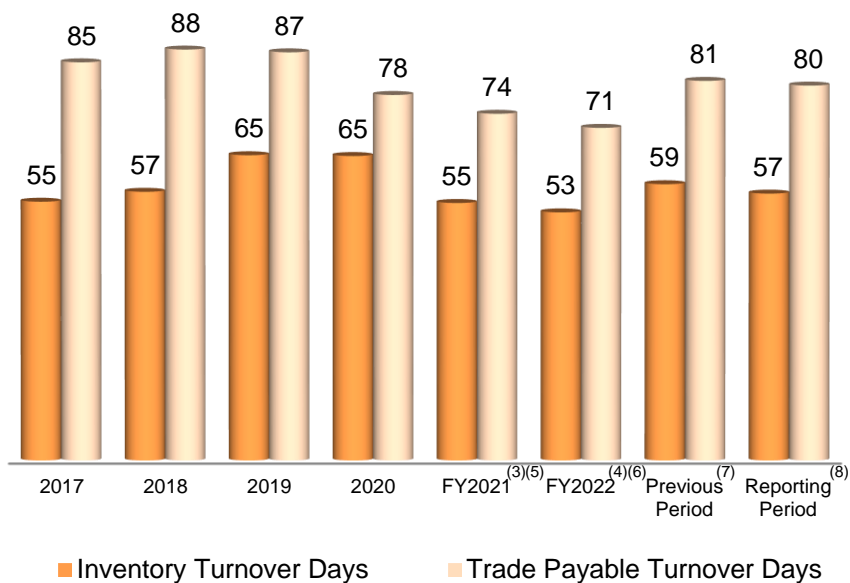
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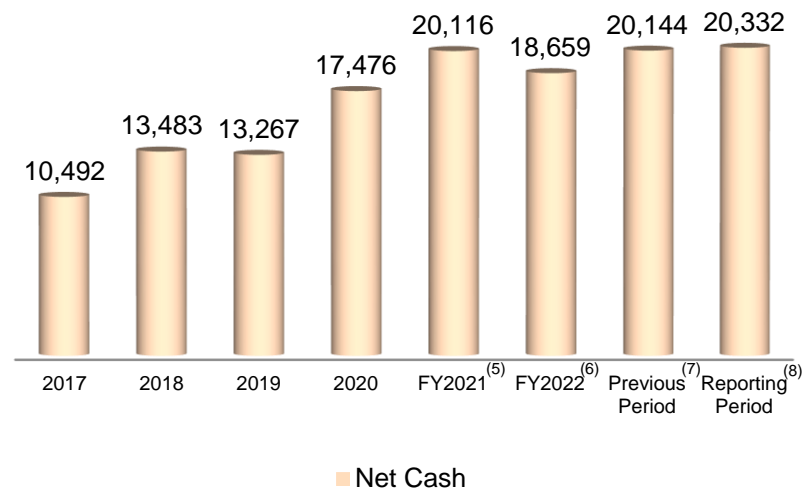


## Working Capital Days <sup>(1)</sup>



## Net Cash Position <sup>(2)</sup>

RMB (million)



Note:

- (1) The inventory turnover days and trade payable turnover days are calculated on average balances of inventory and trade payable, together with the cost of inventory during past 12 months. Data has been restated since 2015.
- (2) The balance of net cash position is calculated as the sum of cash and cash equivalents, financial assets measured at FVPL and time deposits minus bank loans.
- (3) For the twelve months ended 31 March 2021, the inventory turnover days and trade payable turnover days are calculated on average balances of inventory and trade payable, together with the cost of inventory during past twelve months.
- (4) For the six months ended 31 March 2022, the inventory turnover days and trade payable turnover days are calculated on average balances of inventory and trade payable, together with the cost of inventory during past twelve months.
- (5)、(6) The Group changed the financial year end date from December 31 to March 31 in 2020. Therefore, FY2021 and FY2022 show the major indicators of financial results for the twelve months ended March 31, 2021 (unaudited) and March 31, 2022 respectively.
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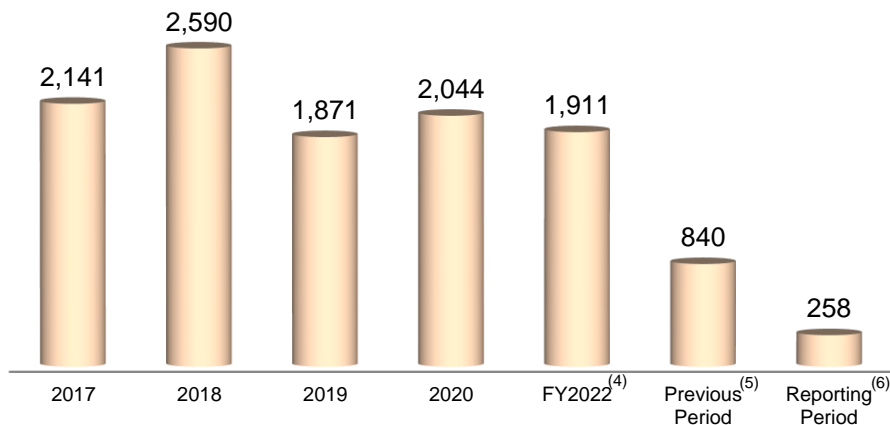
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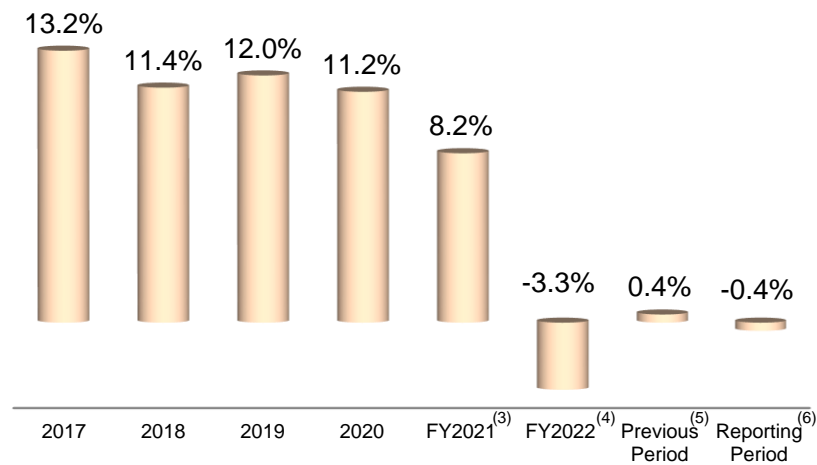
**CAPEX**

RMB (million)



■ CAPEX

**ROE<sup>(1) (2)</sup>**



■ ROE

Note:

(1) ROE is calculated by dividing net profit for the period by total equity amounts as at the end of the period.

(2) The Group has initially applied HKFRS 16 at 1 January 2019 using the full retrospective approach. Under this approach, figures in the 4 years earlier than 2019 (i.e. since 2015) are restated retrospectively.

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**STRATEGY  
PROGRESS**

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## Develop the infrastructure of fresh product supply chain into core competitiveness to serve the multi-format and omni-channel development.

- Accelerate the infrastructure construction of fresh product processing centers, facilitate the development of processing center network and supply chain network.
- During the reporting period, more than 200 stores have switched the supply chains.

## Endeavor to sustainable development.

- Endeavor to the long-term construction of Environmental, Social and Governance (“ESG”) and to become a benchmark for green operation in the retail industry.
- Set a clear long-term goal of achieving carbon neutrality in its own operations by 2030.
- Focus on providing safe, healthy and high-quality products, and actively promote the development of sustainable green supply chain.
- Emphasize the concept of "people-oriented", and actively engage in pandemic control and disaster relief as well as various charity activities, so as to contribute to the society with actions.

**Q & A**



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